

caLeslie
Task: 4277

Form MR-REV-SMO (DOGM – Revise/Amend Change Form)
(Revised November 21, 2006)

Application to Revise a Notice of Intention to Commence Small Mining Operations or Exploration

Operator: <u>US OIL SANDS (UTAH) INC. / EARTH ENERGY RESOURCES, INC.</u>			
Mine Name: <u>LEONARD MURPHY NO. 1 MINE</u>		File Number: E or M/ <u>5/019/059</u>	
Provide a detailed listing of all changes to the Notice that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the Notice. Include page, section and drawing numbers as part of the description.			
DETAILED SCHEDULE OF CHANGES TO THE NOTICE			
		Description of map, text, or materials to be changed	
ADD	<u>REPLACE</u>	REMOVE	<u>PAGES 1-6 OF SMALL MINE PERMIT APPLICATION WITH</u>
ADD	REPLACE	REMOVE	<u>PAGES 1-7 OF SMALL MINE PERMIT APPLICATION.</u>
ADD	REPLACE	REMOVE	<u>(COMPANY NAME AND ADDRESS CHANGE)</u>
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.			
<u>BARCLAY CUTHBERT</u>		<u>Barclay Cuthbert</u> <u>VICE PRESIDENT</u>	
Print Name		Sign Name, Position	
		<u>28 JULY 2011</u>	
		Date	

Return to:

State of Utah
Division of Oil, Gas and Mining
Attn: Minerals Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

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FOR DOGM USE ONLY:	
File #:	<u>M/ /</u>
Approved:	_____
Bond Adjustment: from (\$)	_____
to \$	_____

RECEIVED

AUG 02 2011

DIV. OF OIL, GAS & MINING

This Section for DOGM Use:
Assigned DOGM File No.: S/O 19/0059
DOGM Lead: Leslie
Permit Fee \$ _____ Ck# _____
Task: 4277

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

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AUG 02 2011
Div. of Oil, Gas & Mining

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program (R647). The rules and Act are available online at <http://www.rules.utah.gov/publicat/code/r647/r647.htm> and http://le.utah.gov/~code/TITLE40/40_08.htm.

Cultural Resources Survey: To fulfill its obligations under Utah Code Annotated 9-8-404, the Division needs cultural resource (archaeology) information. The amount and type of information required will depend on the mine location, the history of previous disturbance, and other factors. Please contact the Division for further information.

A permit fee of \$150 or \$500 must accompany this application (Utah Code Ann. §40-8-7(1)(i)) and is due annually. The fee is \$150 for a mine with a disturbed area of five acres or less, and the fee is \$500 if the disturbed area is between five and ten acres.

"Small Mining Operations" are operations which have a disturbed area of ten or fewer surface acres at any time in unincorporated areas, or five acres or fewer in incorporated areas.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Leonard Murphy No. 1 Mine
2. Operator Name (Legal Name): US Oil Sands (Utah) Inc.

Mailing Address: Suite 950, 633 - 6th Avenue SW
City, State, Zip: Calgary, Alberta, Canada T2P 2Y5
Phone: (403) 233-9366 Fax: (403) 290-0045
E-mail Address: barclay.cuthbert@usoilsandsinc.com

Type of Business: Corporation (x), LLC (), Sole Proprietorship (dba) ()
General Partnership (), Limited Partnership (), Individual ().

Business Entity (not individuals) must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) If not currently registered, contact www.commerce.utah.gov to renew or apply. Business Entity #: 5834125-0142

Local Business License #: _____ (if required)
Issued by: County: _____ or City: _____

3. Contact Person(s):

Registered Utah Agent (as identified with the Utah DOC) (if individual leave blank):

Name: Daniel Jensen Title: _____
Address: 185 South State Street, Suite 800
City, State, Zip: Salt Lake City, Utah 84111
Phone: (801) 532-7840 Fax: (801) 532-7750
E-mail Address: djensen@parrbrown.com

I.3. Contact Person(s) (continued):

This person to be notified for: permitting (x) surety (x) (check all that apply)

Name: Barclay Cuthbert Title: Vice President
Address: Suite 950, 633 – 6th Avenue SW
City, State, Zip: Calgary, Alberta, Canada T2P 2Y5
Phone: (403) 233-9366 Fax: (403) 290-0045
Emergency, Weekend, or Holiday Phone: (403) 619-4230
E-mail Address: barclay.cuthbert@usoilsandsinc.com

This person to be notified for: permitting () surety () (check all that apply)

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

4. If Business is a Sole Proprietor (dba) or Individual:

Name of Owner: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Corporation:

Name of Officers: Cameron M. Todd Title: CEO
Name: D. Glen Snarr Title: President & CFO
Name: Barclay Cuthbert Title: Vice President
Name: Timothy Wall Title: Vice President

Headquarters Address: Suite 950, 633 – 6th Avenue SW
City, State, Zip: Calgary, Alberta, Canada T2P 2Y5
Phone: (403) 233-9366 Fax: (403) 290-0045
E-mail Address: info@usoilsandsinc.com

If Business is a Limited Liability Company: Member Managed () Manager Managed ()

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Names of Partners: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) () BLM () US Forest Service ()
 State Trust Land/School Sections (x) State Sovereign Lands ()

Other (please describe):

Name State Trust Lands Address 675 East 500 South, Suite 500, Salt Lake City, Utah
 Name _____ Address 84102-2818
 Name _____ Address _____
 Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) () BLM () US Forest Service ()
 State Trust Land/School Sections (x) State Sovereign Lands ()

Other (please describe):

Name State Trust Lands Address 675 East 500 South, Suite 500, Salt Lake City, Utah
 Name _____ Address 84102-2818
 Name _____ Address _____
 Name _____ Address _____

BLM Claim Number(s): _____

Utah State Lease Number(s): 49927-OBA

BLM/USFS Lease or Project File Number(s): _____

Name of Lessee(s): US Oil Sands (Utah) Inc.

7. **Have the above surface and mineral owners been notified in writing?** Yes X No _____
 If no, why not? _____

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): Uintah County
 _____ 1/4, of SE 1/4, of SE 1/4, Section: 35 Township: 15 S Range: 23 E
 _____ 1/4, of SW 1/4, of SW 1/4, Section: 35 Township: 15 S Range: 23 E
 _____ 1/4, of _____ 1/4, of _____ 1/4, Section: _____ Township: _____ Range: _____
 UTM East: 646200 (if known) UTM North: 4369450 (If known)
 Name of Quad Map for Location: PR Spring 7.5 Minute Quadrangle

2. **Is the project within an incorporated area?** () Yes (x) No
 If yes, what is the town or city? _____

3. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.
 - a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.(Contact the Division for a list of consultants and land surveyors for mapping assistance.)
4. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface (x) Underground ()
2. **Mineral(s) to be mined:** Bituminous/asphaltic sands
3. **Amount of material** to be extracted, moved, or proposed to be moved: _____
Up to 500 cubic yards per day
4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes (x) No () If yes, please describe (add extra pages if needed): See attached
5. Provide a brief **description of the proposed mining operation**, and onsite processing facilities (add extra pages if necessary). See attached
6. (x) **New Road(s):** Length 300 (ft), Width 20 (ft)
7. () **Improved Road(s):** Describe improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) **of new disturbances.**
8. Total project surface **acreage to be disturbed:** < 5 (acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount – see #VI).
9. Proposed **startup date** (month, year): June 2005
10. Proposed **completion**, if known (month, year): June 2006

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover or within practical limits. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at: https://fs.ogm.utah.gov/pub/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. **VARIANCE REQUEST** (Rule R647-3-110)

Any variance must be approved writing *in advance* by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measures to be utilized to meet the intent of the rule. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes (☐) No (☒)

Variance Requested

Item # Applicable Rule

Justification: _____

Alternate methods or measure to be utilized: _____

Attach additional page(s) if more variances are requested.

VI. **SURETY** (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. No surface disturbance is authorized until the surety is posted and approved in writing. The surety may be provided in the form of a certificate of deposit, a letter of credit, a surety bond, or cash. Please contact the Division for further information about submitting the surety. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

VIII. SIGNATURE REQUIREMENT

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature: Barclay Cuthbert Date: 28 July 2011

Name (typed or printed): Barclay Cuthbert

Title/Position (if applicable): Vice President